

# Evaluation Request For Loan Funded by Qualified Public Educational Facilities Revenue Bonds

Authorized by Executive Order 2002-3. Failure to return form would result in your loan request not being processed.

**INSTRUCTIONS:** Attach Parts 2 and 3 to this completed form. Mail one original and one copy to the address below along with the Evaluation Request Fee (see Fee Schedule on Page 2). If you have questions, read the Helpful Information on page 2 of this form.

**MAIL TO:** Michigan Public Educational Facilities Authority  
Michigan Department of Treasury  
PO Box 30058  
Lansing, MI 48909

**OVERNIGHT MAIL TO:** Michigan Public Educational Facilities Authority  
Michigan Department of Treasury  
Treasury Building  
430 W. Allegan  
Lansing, MI 48922

## PART 1: APPLICANT INFORMATION FOR AN INDUCEMENT RESOLUTION

Applicant Name			Name of Principal Contact
Address (No. Street, P.O. Box or Rural Route)			Title of Principal Contact
City	State	ZIP Code	Principal Contact Telephone Number

### INDUCEMENT RESOLUTION

To qualify your project for the possibility of tax-exempt financing, Internal Revenue Service regulations require you to obtain an Inducement Resolution from a governmental body, such as the Michigan Public Educational Facilities Authority (MPEFA) before commencing the construction, reconstruction or acquisition of the project. An Inducement Resolution only evidences MPEFA's present intent to issue bonds. It does not obligate MPEFA to issue bonds.

The above-named applicant requests that an Inducement Resolution be adopted by MPEFA for \$ \_\_\_\_\_ under Executive Order 2002-3 for the following purposes:

## PART 2: DESCRIPTION OF APPLICANT

Provide a brief history of the applicant including type of business, date established, state of incorporation, method of operation, ownership composition, and background experience of key management personnel. Indicate the current number of employees broken down by general job type. If there is a user other than applicant, provide data for user as well. Attach as Exhibit A.

## PART 3: DESCRIPTION OF PROJECT

Provide a detailed description of the location, extent, and character of the project including the estimated cost of land, building, and equipment. Describe the proposed public-private partnership agreement including the basic information regarding the public education entity (i.e., grades served, number of pupils, years in existence, etc.) Attach as Exhibit B.

## APPLICANT CERTIFICATION

<i>I certify that I am a duly authorized official and that the information contained in this Evaluation Request and attached documents is true and accurate to the best of my knowledge.</i>	
Authorized Signature	Date Signed
Name Printed or Typed	Title

## Helpful Information Concerning the Michigan Public Educational Facilities Authority (MPEFA) Qualified Public Educational Facilities (QPEF) Bond Program

### QPEF Financing:

QPEF Bonds are an attractive source of financial assistance for public school improvement projects in Michigan. They provide private, for-profit corporations constructing, rehabilitating, refurbishing or equipping public school facilities in Michigan with capital cost savings stemming from the difference between taxable and tax-exempt interest rates.

### Eligibility:

Under MPEFA's QPEF Bond Program, private, for-profit corporations that have entered into a public-private partnership agreement to construct, rehabilitate, refurbish or equip a public school facility (typically pursuant to a lease agreement) may apply for a loan from MPEFA. The for-profit corporation is required to own the facility and lease the facility to the public school agency. The terms of the lease agreement must provide that at the end of the lease term, the facility will be transferred to the public school agency for no additional consideration.

### How the QPEF Bond Program Works:

MPEFA issues the QPEF Bonds and lends the bond proceeds to the for-profit corporation. The QPEF Bonds are secured only by the Project's revenues; i.e., the payments generated from the lease between the corporation and the public school agency and payable to MPEFA pursuant to a loan agreement. Interest income earned on bonds issued by MPEFA to finance a project for a private, for-profit corporation which has entered into a public-private partnership agreement with a public school agency is exempt from federal and state income taxes. Since the full faith and credit of the State does not back the bonds, QPEF financing through MPEFA is limited to firms whose own credit worthiness (or the financial viability of the project) is sufficient to attract a bond buyer, or a letter of credit from a bank guaranteeing repayment of the QPEF Bond.

### How to Apply:

Once the public-private partnership has been established, the following steps summarize the actions necessary to obtain tax-exempt QPEF bond financing through MPEFA:

1. Applicant prepares Form 3909, *Evaluation Request*, and submits it, along with the Evaluation Request fee, to MPEFA at least two weeks prior to the next MPEFA meeting date.
2. MPEFA considers and adopts an Inducement Resolution at its public meeting.
3. MPEFA and the applicant structure the financing and bond counsel begins to prepare documents.
4. MPEFA staff:
  - Publishes public hearing notices at least 14 days prior to date of hearing;
  - Holds public hearing in Lansing; and
  - Obtains required government approvals.
5. Financing documents are prepared by counsel and reviewed and accepted by all parties to the transaction.
6. MPEFA adopts a bond resolution authorizing the issuance of the bonds.
7. MPEFA, borrower, purchaser, and counsel close on the project financing.

### Fee Schedule:

**Evaluation Request Fee.** Nonrefundable fee required when the application is filed.

\$1,000,000 or less	\$500
Over \$1,000,000	\$1,000

**Issuance Fee.** Required on or before the closing of the project financing.  
1/2 of 1% of Principal Amount

**Annual Fee.** Prorated and paid on a semiannual basis.  
1/8 of 1% of Outstanding Balance

Make checks payable to Michigan Public Educational Facilities Authority (MPEFA).

### Contact Information:

For more information, visit MPEFA's Web site at [www.MPEFA.org](http://www.MPEFA.org) or call 517-373-3199. Requests for more information can be sent via fax to MPEFA at 517-373-2465, by email to [Treas\\_MPEFA@michigan.gov](mailto:Treas_MPEFA@michigan.gov) or by mail to:

Michigan Public Educational Facilities Authority  
Michigan Department of Treasury  
PO Box 30058  
Lansing, MI 48909